

Procedures Manual



Helping Students Pay for College

Michigan Tuition Grant Program

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MICHIGAN TUITION GRANT

Section A – Program Summary

Program Title	Michigan Tuition Grant
Enabling Legislation	Public Act No. 313 of 1966
Administrative Rules	R 390.831 – R 390.851
Purpose	The grant is intended to provide students with increased access and choice to attend independent, degree-granting, nonprofit Michigan postsecondary institutions.
Funding Sources	State general funds as appropriated annually in the Higher Education Appropriations Act.
Administrative Office	Office of Scholarships and Grants Student Financial Services Bureau P.O. Box 30462 Lansing, Michigan 48909-7962 Toll-free number: 1-888-4-GRANTS (1-888-447-2687) Fax: (517) 241-5835 www.michigan.gov/osg E-mail: osg@michigan.gov

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MICHIGAN TUITION GRANT

Section B – Program Administration

Institutional Eligibility

Michigan independent, nonprofit, degree-granting college or university. Institutions must be eligible for listing in "The Directory of Institutions of Higher Education," published by the Michigan department of education.

Michigan Department of Treasury Responsibilities

Receive student application information. The application is the Free Application for Federal Student Aid (FAFSA).

Determine eligible applicants and make awards to those students.

Provide weekly electronic enrollment verification rosters to colleges through the state Data Exchange Gateway (DXG).

Disburse funds to colleges.

Promulgate rules, establish policies and interpret both.

Collect refunds of grant funds if required.

Provide technical assistance to colleges.

Monitor program expenditures.

College Responsibilities

Monitor student enrollment and report status through electronic file (DXG) process or through Monitoring and Adjustment function in MI Scholarships Online (MISO) program administration system.

Monitor students' total financial resources and adjust Michigan Tuition Grant (MTG) awards. Adjust or cancel student awards due to changes in budgets, institution overrides, revised Expected Family Contributions (EFC), other tuition and fee specific awards, other financial resources, SAP non-compliance, changes in enrollment status, or for withdrawals after enrollment and notify students of award adjustments (See "Award Adjustments" section).

MICHIGAN TUITION GRANT

Section B – Program Administration

College Responsibilities (Continued)

Verify high school completion or admission under Ability to Benefit. If the student answered the high school completion FAFSA question originally or in correction, this will be accepted for MTG eligibility purposes. If the student leaves the question blank, there will not be a MISO system edit; however, OSG will expect schools (for audit purposes) to document those students who did not complete high school and who were admitted under Ability to Benefit.

Verify Michigan residency of recipients.

Apply funds to students' accounts.

Balance year-end totals and, if refund owed, return funds to Treasury promptly. Refund checks should be made payable to the "State of Michigan."

Identify the program on communications to the student.

College Records Retention

Program records are to be retained in accordance with federal Title IV student aid requirements: a minimum of three (3) years from the date the college reconciled year-end funds with OSG.

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Section C – Campus Payments

Payment Process

Payments are authorized by and issued from the Michigan Department of Treasury.

Payment amounts are based on the total available appropriation and are prorated within the state's fiscal year as specified in the annual Higher Education Appropriations Act:

- First quarter (Oct – Dec) = 40%
- Second quarter (Jan – Mar) = 40%
- Third quarter (Apr – June) = 10%
- Fourth quarter (July – Sep) = 10%

Payments to individual institutions are calculated based on the percentage of students verified for enrollment by that institution by the OSG established quarterly verification due date. Payments for the 4th quarter will be made once the school has verified all student records and balanced fund amounts for the year with OSG.

Note: For private institutions, the payment amounts for Michigan Tuition Grant and Michigan Competitive Scholarship (MCS) will differ from the award amounts for the programs. This is because \$1300 of a MCS award is paid by MCS funds and the remaining amount (\$800 if the student received a maximum award of \$2100) is paid by MTG funds. However, at the end of the year, the total payments for both MCS and MTG will equal the total award amounts for both MCS and MTG.

MICHIGAN TUITION GRANT

Section D – Student Eligibility

Age Requirement

There is no maximum age limit for eligibility.

High School Diploma

The recipient must have received a high school diploma, GED certificate, or meet Ability to Benefit standards and be accepted for admission by the institution.

Enrollment

Students must be enrolled at least half time at an approved independent, non-profit degree-granting Michigan postsecondary institution. Students can be enrolled as an undergraduate or graduate. Students cannot be enrolled in a course of study leading to a degree in theology, divinity, or religious education.

If a student possessing a degree at a given academic level enrolls for a second degree at the same academic level (second bachelor's degree, for example), the student may continue to receive a MTG up to the maximum undergraduate or graduate check count eligibility. If the student enrolls for a second degree at a lower academic level (bachelor's degree student enrolls in an associate degree program), the student is not eligible to receive a MTG.

Final enrollment status eligibility is determined by the "enrollment count date", a date each term which is left to the discretion of each college, is applied uniformly and is available in written form for audit purposes. The enrollment count date may be the same as the refund period ending date.

Citizenship

The recipient must be a U.S. citizen, a U.S. national, or a U.S. permanent resident who has an I-151 or I-551C. Or, the recipient must hold an Arrival-Departure Record (I-94) from the U.S. Department of Homeland Security (DHS) showing one of the following designations: "Refugee," "Asylum Granted," "Parolee" and/or "Victim of human trafficking," T-Visa holder (T-1, T-2, T-3, etc.), or "Cuban-Haitian Entrant."

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Section D – Student Eligibility

Residency

Eligible Michigan residents must have maintained continuous residency for 12 months, beginning July 1 of the preceding calendar year. The residency of a dependent student follows that of the student's parent(s). A student meets the Michigan residency policy with no additional documentation required if

1. The student graduates from a Michigan high school and enters college the same year.
2. The student completes the FAFSA questions that relate to residency and the institution verifies that the following guidelines are met:
 - For dependent students, the student is considered a Michigan resident if the FAFSA lists a Michigan address and the parent(s) indicate in the FAFSA questions related to residency that they have been Michigan residents since July 1 of the preceding calendar year.
 - For independent students, the student is considered a Michigan resident if the FAFSA lists a Michigan address and a Michigan driver's license, and the student indicates in the FAFSA questions related to residency that s/he has been a Michigan resident since July 1 of the preceding calendar year.

Note: If the date of residency on the FAFSA is July of the preceding year and the institution verifies that the date was July 1 of that year, the institution must notify OSG of the student's eligibility.

If the student does not meet one of the above conditions, then additional documentation is required. The following is a list of suggested documents institutions may use when trying to establish a student's residency. Institutions need to assure that the documentation is properly signed, certified, pertains to the residency period in question, adheres to the policy listed above, and is maintained in institution records.

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Section D – Student Eligibility

Residency (continued)

- Michigan tax return
- Federal tax return with Michigan address
- Michigan Department of Human Services Annual Income Statement
- Military/ministry personnel certificate or letter denoting Michigan residency
- Voter registration
- Michigan vehicle registration
- Michigan tax statement (with location same as residency address)
- Michigan driver's license (cannot be the sole document)
- Utility bills
- Rent receipts
- Property tax assessment or payment records
- Statements from a third party, such as a community official who has personal knowledge of the student's whereabouts for the period in question. (Note: Use of statement(s) is reserved for cases where preceding items are not available.)

EXCEPTIONS

1. Michigan residents who temporarily leave the state for less than 12 months will immediately meet the residency requirements upon permanent return to the state. This applies to parents of dependent students and to independent students. The policy allows a 12-month grace period and permits continued eligibility.
2. If both parents of a dependent student have been Michigan residents and both parents leave the state, the student is eligible to renew the award for one year provided the parents resided in Michigan during the calendar year of the award. If the parents moved out of state during the preceding calendar year, the student is not eligible to renew the award.

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Section D – Student Eligibility

Satisfactory Academic Progress

The recipient must be in compliance with the college's satisfactory academic progress (SAP) standard for MTG. The college must use a SAP standard at least consistent with the criteria of academic progress needed to maintain eligibility for the federal student aid programs.

Non-incarceration

Incarcerated students are not eligible for award consideration. This includes persons assigned full time or part time to correctional facilities, community correction centers, residential homes, half-way houses, or under home detention. Those on electronic monitors are likewise ineligible.

Renewal

Continuing students will receive grant consideration if they have their FAFSA to the processor by the program's deadline as provided for by the annual State appropriations bill. Additional awards are offered to late applicants as funds permit. Students awarded a grant during the previous academic year are able to receive a renewal award if the applicant remains eligible (continues to demonstrate need, maintains SAP).

Application Information

Students must demonstrate financial need. Need is determined through the FAFSA.

Students filing their FAFSA by the program's deadline date are considered "on time" applicants. The FAFSA information is automatically released to OSG if the student's state of legal residence is Michigan. The student must file a FAFSA every year to be considered for the MTG.

FAFSA Application Procedures

The FAFSA is the only application used to establish need for the Michigan Tuition Grant. In order for OSG to electronically receive the FAFSA information, the student's state of residence must be Michigan (MI). If the student's state of residence is blank or another state is listed, the SAR or ISIR must be corrected. Student record information is received from the Federal processor on a daily basis and uploaded to the OSG database.

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Section D – Student Eligibility

FAFSA Application Procedures (continued)

FILING DATE

For priority consideration, students should have a complete and correct FAFSA to the processor by the program's deadline date. The OSG offers awards on a date-order basis and continues until funding has been depleted.

FAFSA CHANGES

Prior to the student being awarded, OSG accepts all FAFSA changes made by either the student or the institution. After the student is awarded, OSG accepts all FAFSA changes made by the institution but does not accept any FAFSA changes made by the student.

IMPORTANT QUESTIONS

In addition to the questions necessary for federal processing, several questions on the FAFSA are pertinent to the state awarding process. The following is a summary of information that OSG uses from the FAFSA.

Note: To correct any inaccurate information, either the student or the institution can correct the FAFSA and the correction will be transmitted to OSG.

Social Security Number/Name/Date of Birth

The application must include the student's social security number, full name as it appears on the student's social security card, and date of birth.

Permanent Address

If any part of this question is left blank and OSG does not have a prior address for the student, the student's record will be marked with an edit. OSG will attempt to obtain a complete address for the student.

Student's State and Date of Residency and Parent's State and Date of Residency

The student's state and date of residency is used to determine an independent student's residency. An independent student

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Section D – Student Eligibility

FAFSA Application Procedures (continued)

must have maintained continuous Michigan residency for the previous 12 months, beginning July 1 of the preceding calendar year to be considered a Michigan resident.

The parent's state and date of residency is used to determine a dependent student's residency. The parent(s) of a dependent student must have maintained continuous Michigan residency for the previous 12 months, beginning July 1 of the preceding calendar year to be considered a Michigan resident. If the date of residency on the FAFSA is July of the preceding year and the institution verifies that the date was July 1 of that year, the institution must notify OSG of the student's eligibility.

Grade Level

This question must be answered in order to determine the student's budget.

Convicted of Possessing or Selling Illegal Drugs

Student eligibility for MTG is not affected by answering "yes" to this question or leaving this question blank.

College Choice

OSG uses the first Michigan college listed on the FAFSA in order to determine a student's award eligibility.

In order to change the student's college of choice, the following options are available:

1. If the student is not awarded, the college choice change can be done by either the student or the institution using any one of the following methods:
 - a. Updating the FAFSA
 - b. Sending an email or fax to OSG
 - c. Calling OSG
2. If the student is awarded, the college choice change can be done by the institution using any one of the

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Section D – Student Eligibility

FAFSA Application Procedures (continued)

following methods or by the student using only option b or c:

- a. Updating the FAFSA
- b. Sending an email or fax to OSG
- c. Calling OSG

Note: Because OSG accepts all FAFSA changes made by the institution, institutions need to list their institution as the first Michigan college when making FAFSA corrections. If another Michigan college is listed first on the FAFSA, the institution making the corrections will either lose the award, if the student is awarded, or the student will never receive an award.

Match Flags

Citizenship: OSG uses the SSA Match Flag and the INS Match Flag to determine the student's citizenship status. If the institution is verifying the student's citizenship, the institution can either send the supporting documentation or contact OSG.

Loan Default: OSG uses the NSLDS Match Flag to determine if the student is in default on an educational loan. If the student is no longer in default, either the institution or the student will need to contact OSG. The student will need to provide OSG with the supporting documentation. If the institution is confirming that the student is no longer in default, the institution can either send the supporting documentation or contact OSG.

Rejected FAFSA

If a student's FAFSA is rejected for any reason, the student must correct the Student Aid Report (SAR) and submit the corrections to the Federal processor.

Professional Judgment / Dependency Overrides

Institutions exercise professional judgment and approve independent status for students who do not meet federal guidelines. The state will accept institutional PJ and DO determinations.

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Section E – Award Computation

Award Limits

Eligible applicants can receive an award equal to tuition and mandatory fees, financial need, or the maximum award amount, whichever is the least.

Mandatory fees are defined as fees that are charged to all students and that are necessary for enrollment. Course specific fees, lab fees, and charges related to contact hours are not included as tuition and mandatory fee charges.

Award Parameters

AWARD AMOUNT

The maximum award amount must be determined each year and be approved by the Authority. OSG will annually notify institutions of the award maximum.

Tuition Grant summer awards are not made due to appropriation rollover provisions for this program.

LONGEVITY

An undergraduate MTG may be renewed until a student has received the maximum payment of 10 semesters or 15 terms of full-time undergraduate study. Payments and “check count” are prorated for part-time enrollment (See CHECK COUNT below).

A graduate student may receive MTG assistance for no more than 6 semesters or 9 terms of study. Legislation extends graduate eligibility to 8 semesters for students enrolled in the University of Detroit Mercy Dental Program.

CHECK COUNT

Regulations governing the MTG program limit a student’s eligibility in terms of full-time semesters/terms of financial assistance. Check counts are used to track the student’s semesters/terms of eligibility. A student can receive a maximum of 60 check counts for undergraduate assistance. Assistance for a full-time semester is equal to 6 counts; a

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Section E – Award Computation

Award Parameters (continued) full-time term, 4 counts. Part-time assistance results in a prorated check count.

Check Count Values		
	Semester	Term
Full time	6	4
$\frac{3}{4}$ time	4.5	3
$\frac{1}{2}$ time	3	2

Award Determination

EXPECTED FAMILY CONTRIBUTION

In the MTG program, the Expected Family Contribution (EFC) is based on the federal methodology. Because program demands far exceed resources, the Authority has approved increasing the federal EFC. This is done by including a minimum student contribution and inflating the EFC by a specified percentage.

The minimum student contribution is:

- \$900 income contribution for dependent freshmen (indicates grade level 0 or 1 on the FAFSA)
- \$1,100 income contribution for dependent upperclassmen (grade levels 2 through 5)
- \$1,500 EFC for all independent students

Data from the student's FAFSA is compared to the minimum student income contribution with the higher value being used as the student income contribution. For dependent students, the higher value is added to the student's asset contribution and the student's parent contribution to derive the "Calculated" EFC. For independent students, the higher value represents their Calculated EFC.

Once the Calculated EFC is determined, it is inflated by 25%, which is the current percentage approved by the Authority. The new EFC, which is determined by multiplying the Calculated EFC by 1.25, is called the "Factored" EFC.

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Section E – Award Computation

Award Parameters (continued) *Examples:*

A dependent freshman student showing a student income contribution of zero and a student asset contribution of \$1,000. Since the student income contribution is less than the \$900 minimum student income contribution for a dependent freshman, the student's income contribution becomes \$900 for a total income and asset contribution of \$1,900. The \$1,900 student income and asset contribution is added to the student's parent contribution of \$5,000 for a Calculated EFC of \$6,900. The Calculated EFC of \$6,900 is then multiplied by 1.25 for a Factored EFC of \$8,625.

A dependent upperclass student showing a student income contribution of \$2,000 and a student asset contribution of \$1,000. Since the student income contribution is more than the \$1,100 minimum student income contribution for a dependent upperclassman, the student's income contribution remains at \$2,000 for a total income and asset contribution of \$3,000. The \$3,000 student income and asset contribution is added to the student's parent contribution of \$2,000 for a Calculated EFC of \$5,000. The Calculated EFC of \$5,000 is then multiplied by 1.25 for a Factored EFC of \$6,250.

An independent student shows a federal EFC of \$1,000. Since the student's income and asset contribution is less than the \$1,500 minimum contribution for an independent student, the student's income and asset contribution becomes \$1,500 which represents the student's Calculated EFC. The Calculated EFC of \$1,500 is then multiplied by 1.25 for a Factored EFC of \$1,875.

The OSG sends institutions weekly electronic verification files which will show the Calculated EFC, which includes the minimum student contribution, in column AG. The Factored EFC used to determine need will appear in column AH. (For details about the electronic file process, see the manual for the Data Exchange Gateway, or DXG.)

AWARD COMPUTATION

Each year, all eligible postsecondary institutions must submit their cost of attendance budgets by the second

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Section E – Award Computation

Award Parameters (continued) Friday in March. Budgets are submitted electronically in the MISO system. Only expenses that have been approved by the trustees of the college may be reported. Budget increases approved after the March deadline cannot be used by OSG for award determination; however, the college may use the increased figures when monitoring for additional gift aid. When MTG awards are determined, financial need is computed by subtracting the Factored EFC from the applicable budget. This calculation applies to both dependent and independent students. The difference between the Factored EFC and the budget is the State need.

Institutional budgets

1. For institutions with dormitory facilities, the budget consists of tuition and fees, room and board charges established by the institution, plus books/personal allowance and travel allowance set by OSG. (Include only fees charged to all students.)
2. For institutions without dormitory facilities, the budget consists of tuition and fees established by the institution, plus room and board, books/personal, and travel allowance established by OSG.

Note: A college must be able to accommodate at least 10% of the full-time enrollment for campus residence charges to be included as part of the total budget. If a college cannot accommodate 10% of enrollment, the standard amount set by OSG will be used. If the institution has graduate programs, the 10% requirement would apply to both undergraduate and graduate populations. For example, if a college could accommodate 50% of its undergraduates, but none of its graduate students, it would use its room and board figures for its undergraduate budget and the OSG established amount for room and board for its graduate students.

The State need is used to determine the student's eligibility for the MTG. All initial awards are based on full-time enrollment for 2 semesters or 3 terms of the academic year. OSG calculates initial awards. When the semester/term

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Section E – Award Computation

Award Parameters (continued) breakdown is uneven, the higher amount is applied to the first semester/term. An initial scholarship of \$501 is awarded as \$251 for semester 1 and \$250 for semester 2.

Award Adjustments Award adjustments may be entered on the online Monitoring and Adjustment Form, entered on the verification file, or sent to OSG. Problems with an electronic or online award adjustment should be sent by email to the support staff at osg@michigan.gov, or by calling OSG.

WAIT LIST

Most award increases or reinstatements can be done during the first 30 days of a semester/term. The 30-day period is based on the start of term date provided on the institution's Budget/Term screen. Increases requested after this time period will go to a wait list. Reinstatements based on a change in SAP status always go to a wait list. OSG will accept awards from the wait list if funds become available. Institutions may reduce an award at any time.

END OF CHECK COUNT

A full-time semester uses 6 check counts, and a full-time term uses 4 check counts. When a student's remaining check count is less than 6 for a semester institution or less than 4 for a term institution, the student has less than a full payment remaining. A student's final award amount will be prorated based on the remaining check count, but the enrollment status must remain full time. The institution should not change this student's enrollment status to $\frac{3}{4}$ or $\frac{1}{2}$ time in the MISO system. If, for any reason, a student's award needs to be reduced further, institutions should contact OSG.

Students with a check count of 1 or 2 at a semester institution or 1 at a term institution are no longer eligible for funds.

MICHIGAN TUITION GRANT

Section E – Award Computation

Award Adjustments (continued)

MINIMUM AWARDS

Although initial awards have a minimum of \$100 a year, award adjustments may reduce an award to less than \$100. In such cases, the award is paid in first semester/term.

CHANGE IN BUDGET

Initial awards are based on institutional budgets. The student is assigned a budget based on the grade level reported on the FAFSA. The institution can change a student's budget using the online monitoring form, using Excel column AQ on the verification file, or by notifying OSG. Budget code numbers are defined on the Institutional Update screen in the MISO system. Awards are adjusted by the system when a budget change is made.

Community college awards are based on the in-district cost of attendance. If a student is initially awarded at the in-district rate but is an out-of-district resident, the financial aid office will need to correct the budget code to nine and the award will be reevaluated. If students are not eligible at the in-district rate, but are eligible if they are found to be out-of-district, the community college will need to provide OSG a list of these students. Institutions who report special budgets, budget codes 10-15, must provide OSG with a list of students who are enrolled in each special program. Once a FAFSA is received, the student's budget code will be updated to reflect the appropriate program.

INSTITUTION OVERRIDES/REVISED EFC

Institutions have two options in reporting EFC changes to the State. The first option is to use the FAFSA. The second option is to use the online monitoring form or, Excel columns AS, AT, AU, and AV on the verification file as a third option. When using the second option, institutions must report the following:

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Section E – Award Computation

Award Adjustments (continued)

- For dependent students, parent contribution from income and assets, student contribution from income, student contribution from assets, and the revised federal EFC.
- For independent students, the revised federal EFC.

CANCEL AWARD FOR INELIGIBLE STUDENT

An institution can cancel an ineligible student's award on the online monitoring form or on the verification file, Excel column AW. The award will be canceled for the current semester/term and for the remainder of the academic year. To save semester/term 1 and cancel semester/term 2, use the semester/term 2 verification file or select 2nd enrollment period on the monitoring form.

Note: The full-year award must be canceled if student does not meet statutory requirements, even after disbursement of funds.

The following is the list of the reasons for cancellation. The number associated with the cancel reason represents the number used on the verification file. If a number is not listed, it does not apply to the MTG program.

1. Student enrolled in a religious program. Student is enrolled in a course of study leading to a degree in theology, divinity, or religious education (not eligible for MTG).
2. Student enrolled in a graduate program. Law students are not eligible for MTG awards.
3. Enrolled in an ineligible program due to a prior degree. If a student possessing a degree at a given academic level enrolls for a second degree at a lower academic level, the student is not eligible for MTG.
4. Incarcerated. Program legislation states that students who are incarcerated are ineligible for an award.

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Section E – Award Computation

Award Adjustments (continued)

5. Student Deceased.
6. Student Declined Award. A student may wish to decline an award and save eligibility for a later term, especially if the amount is low due to need or other gift aid.
7. Withdrew year / did not enroll. This is used for students who did not enroll or withdrew with a full refund.
8. Student did not complete verification. At institutional discretion, students who fail to respond to an institution's requests for verification documentation may not be eligible for program funds.
9. Did not meet Michigan residency. If verification indicates student does not meet Michigan residency requirements, the student is not eligible for program funds.
11. Loan in Default. Student cannot be in default on a federal student loan or owe a Title IV refund.
12. Receipt of Additional Aid/Resources. Institutions may wish to use this in place of the Other Aid sections if the student's full award will be canceled.
13. Does not meet citizenship requirements. Students who are not a U.S. citizen, permanent resident, or approved refugee are not eligible for program funds.
14. Cancellation by Institution. If a student is ineligible for multiple reasons, institutions can use this cancel reason.
15. Not a High School Graduate. Students who do not have a high school diploma, GED, or meet the Ability to Benefit criteria are not eligible for program funds.
16. Student graduated or completed program.

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Section E – Award Computation

Award Adjustments (continued)

TUITION & FEES SPECIFIC AWARDS

The State award is restricted to tuition and fees only. If a student receives an additional tuition and fees specific award, the combination of the State award and other tuition and fees awards may not exceed need or tuition and fees, whichever is less:

Example:

a) Tuition & Fees	<u>\$ 5,000</u>
b) Tuition & Fees Specific Other Aid	<u>\$ 4,500</u>
c) Revised Need (a minus b)	<u>\$ 500</u>

Institutions can report tuition and fees specific amounts for the entire year or by semester/term. If reporting by semester/term, check the Term Only box located on the online monitoring form or indicate "Y" in column AZ on the verification file. If reporting for the entire year, the enrollment period should be marked as 1st.

Note: MTG recipients whose tuition and fees are paid by MET may use the MTG for educational expenses other than tuition and fees.

OTHER FINANCIAL RESOURCES

Initial awards may be reduced or canceled when a student has other financial resources, including scholarships, grants, veterans' education benefits and tuition reimbursement programs.

The following are not considered other financial resources:

- Educational loans/conditional loans
- Michigan Education Savings Plan (MESP)
- Michigan Education Trust (MET)
- Michigan Merit Award/Michigan Promise
- Part-time employment
- Work-Study

It is the institution's responsibility to monitor a student's total financial resources and adjust MTG awards whenever over-awarding occurs. Adjustments are made on the online

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Section E – Award Computation

Award Adjustments (continued)

monitoring form, or in Excel columns AX, AY, AZ, and BA through BE on the verification file.

Other resources may equal a student's additional need plus a \$300 buffer without affecting the State award. If the other resources are greater than the additional need plus the buffer, the State award must be reduced or cancelled. To evaluate the effect of other resources on a State award, subtract the Calculated EFC from the institutional budget. The institutional budget may differ from that used in determining the student's initial award. Because institutions must report their budget figures to the State in March, many institutions' Boards of Trustees have not set the new tuition and fee amounts. Institutions may use the budget that reflects the increased cost of attendance as approved by the Board of Trustees.

Example:

a) State Budget	<u>\$ 12,500</u>
b) Calculated EFC	<u>\$ 7,740</u>
c) Need (a minus b)	<u>\$ 4,800</u>
d) Other resources	<u>\$ 4,500</u>
e) Demonstrated need (c minus d)	<u>\$ 300</u>
f) Buffer	<u>\$ 300</u>
g) Revised need (e plus f)	<u>\$ 600</u>

If the student's award is greater than the revised need, the award is reduced to \$600.

The revised State award cannot be higher than the initial award. Institutions can report other financial resources for the entire year or by semester/term. For reporting by semester/term, the Term Only box located on the online monitoring form should be checked or a "Y" should be indicated in column BE on the verification file. For reporting for the entire year, the enrollment period should be marked as 1st.

The revised need must be figured using both methods (Tuition & Fees Specific Awards and Other Financial Resources) if other resources are tuition and fee specific. Using the two previous examples, the student's revised need of \$500 for the tuition and fee specific award is less than the

MICHIGAN TUITION GRANT

Section E – Award Computation

Award Adjustments (continued)

revised need of \$600 for the other financial resources; so the award must be reduced to \$500 and the tuition and fee specific section must be completed.

Note: Other resources should be reported to OSG only when the MTG award amount is affected. When the award amount is not affected, the calculation should be kept in the student's file.

SATISFACTORY ACADEMIC PROGRESS

Students who do not meet institutional satisfactory academic progress (SAP) standards are not eligible for this program. SAP adjustments are made using the online monitoring form or Excel column BG or BH on the verification file. Award adjustments, cancellations, and reinstatements affect the current term and subsequent terms. Students who raise their SAP to eligible standards based on summer school work may receive a full-year award if funds are available. Students who raise their SAP to eligible standards mid-year may receive an award for the remainder of the academic year if funds are available. Requests for reinstatement will go to the wait list until funds are available.

ENROLLMENT STATUS

Initial awards are based on full-time enrollment. Awards for part-time students are reduced using the online monitoring form or Excel column BI on the verification file. These reductions are done on a semester-by-semester or term-by-term basis. Students enrolled at $\frac{3}{4}$ time receive 75% of the original award. Students enrolled $\frac{1}{2}$ time receive 50% of the original award. Students enrolled less than $\frac{1}{2}$ time are not eligible. Part-time award reductions follow conventional rounding rules, .50 or higher rounds up to the nearest dollar.

- Full-time enrollment is 12 or more credit hours.
- $\frac{3}{4}$ -time enrollment is 9-11 credit hours.
- $\frac{1}{2}$ -time enrollment is 6-8 credit hours.

MICHIGAN TUITION GRANT

Section E – Award Computation

Disbursement Procedures

Payment should be credited to the student's account unless the student has already satisfied financial obligations to the college; in such cases, all or part of the award may be paid directly to the student.

Within the parameters of the student's need and enrollment status, division of the total award amount for the academic year is divided according to the institution's academic calendar (semesters or terms).

Refunds

Final eligibility for payment within an enrollment period depends on the student's status at the end of the refund period.

WITHDRAWAL AFTER ENROLLMENT

When a student withdraws from college or drops credits during the institution's refund period, the State award may need to be reduced. Enter data in the online monitoring form or Excel columns BJ, BK, BL, BM and BN on the verification file.

This calculation applies to current term only. To cancel subsequent terms, the box next to the statement "Check here if remaining terms(s) should also be cancelled" should be checked on the online monitoring form.

The student's award will be reduced based on the percent of the tuition and fees originally paid by the state award.

If the State refund needs to be adjusted due to the federal refund policy, enter a negative number on line g or in column BN. Do the federal refund calculation first. If, after that calculation, the amount of funds remaining is less than the amount that needs to be returned to the state (e), the state refund will be reduced. This is done by entering the amount of funds remaining as a negative number (g). This increases the state award (h) and reduces the amount the institution must return to the state. If the amount of funds remaining after the federal calculation is greater than the amount that needs to be returned to the state, or if the student did not receive federal funds, nothing needs to be

MICHIGAN TUITION GRANT

Section E – Award Computation

Refunds (continued)

entered on line g.

Example:

a.	Actual enrollment period tuition and fees	<u>\$4,000</u>
b.	Original State award for enrollment period	<u>\$650</u>
c.	Percent of tuition and fees paid by State award (b divided by a)	<u>0.16</u>
d.	Amount of tuition and fees refund	<u>\$2,000</u>
e.	Amount of reduction to the State award (d multiplied by c)	<u>\$320</u>
f.	Adjusted enrollment period State award (b minus e)	<u>\$330</u>
g.	Adjustment to refund from Federal calculation	<u>-\$200</u>
h.	Federal adjusted State award (f minus g)	<u>\$530</u>

This calculation uses conventional rounding rules of .50 of higher rounds up to the nearest dollar.

Note: If a student withdraws during the full-refund period, adjust the award by changing the enrollment status to Did Not Enroll.

Consortium Agreements

An institution may enter into a consortium agreement for the purpose of allowing a student to use their aid funds while studying at another institution. Provided the “home” institution is entered into an agreement on a student’s behalf that meets the requirements for Federal Title IV aid programs, the student may also use their MTG funds for attendance at a “host” institution.

Appeal Process

The college should direct students wanting to appeal an eligibility determination to address their inquiries to the Student Financial Services Bureau, Office of Scholarships and Grants.

MICHIGAN TUITION GRANT

STATE TUITION GRANT PROGRAM

Act 313 of the Public Acts of 1966, as Amended

An Act to award tuition grants to resident students enrolled in private, nonprofit institutions of higher learning; and to make an appropriation therefore.

THE PEOPLE OF THE State of Michigan ENACT:

Tuition grants; establishment; purpose; qualifications.

Sec. 1. Tuition grants are established by the state to foster the pursuit of higher education by resident students enrolled in independent nonprofit colleges or universities in the state, which have filed with the board of education a certificate of assurance of compliance with title 6 of the civil rights acts of 1964, Public Law 88-352, 77 Stat. 241, as in effect on January 1, 1966, whose instructional programs are not comprised solely of sectarian instruction or religious worship, and which are approved by the state board of education.

Tuition grant; administration; availability of grant; priority.

Sec. 2. The Michigan higher education assistance authority created by ACT No. 77 of the Public Acts of 1960, as amended, being sections 390.951 to 390.961 of the Michigan Compiled Laws, shall administer the grants which shall be available to each eligible resident student registered as an eligible undergraduate or graduate student. Priority shall be given to full-time students.

Tuition grants; application; eligibility; satisfactory academic progress; second degree.

Sec. 3. (1) Upon application of an eligible resident student, who has resided in this state continuously for the preceding 12 months, is not considered a resident of any other state is not incarcerated in a corrections institution and is registered in an independent nonprofit college or university in this state, as described in section 1, the Michigan higher education assistance authority shall grant an amount as provided for in this act for each semester of attendance. A student shall not be eligible for a grant for tuition and fees for more than 10 semesters of undergraduate education or its equivalent in trimesters, or equivalent as determined by the authority for less than full-time students; in not more than 6 semesters of graduate education, or its equivalent in trimesters; and in not more than 8 semesters in dental education, or its equivalent in trimesters.

(2) A student shall maintain satisfactory academic progress, as defined by the college or university in which the student is enrolled in order to remain eligible for the tuition grant under this act.

(3) If a student possessing a degree at a given academic level enrolls for a second degree at the same academic level, the authority shall include tuition grants received by the student when enrolled for the previous degree at the same level in determining the student's eligibility pursuant to subsection (1).

MICHIGAN TUITION GRANT

Tuition grants; determination of amount; evaluation of family's financial resources; grants for religious studies prohibited; payments.

Sec. 4. (1) The amount of the grant to be paid for each semester or trimester shall be determined by the Michigan higher education assistance authority based upon an evaluation of the family's financial resources. In determining financial resources the authority shall use the same criteria as used in Act No. 208 of the Public Acts of 1964, as amended, being sections 390.971 to 390.981 of the Michigan Compiled Laws. The evaluation shall make allowance for other members of the applicant's family enrolled in an approved institution of higher education.

(2) A grant shall not be made under this act to a student who is enrolled in a program of study leading to a degree in theology, divinity, or religious education.

(3) Prorated payments shall be made at the beginning of each semester or term to the student or to the college or university for credit to the student's account.

Tuition grants; maximum amount or grant level.

Sec. 5. Each tuition grant shall not exceed the amount of tuition and fees for the full academic year as reported by the college or university in which the applicant is enrolled, or an amount the Michigan higher education assistance authority finds appropriate in relation to the family's financial resources, whichever is the lesser. If there are not sufficient appropriated funds to provide each student with the grant amount for which the student is eligible, the Michigan higher education assistance authority shall establish a maximum grant level for that academic year.

Rules.

Sec. 6. The Michigan higher education assistance authority shall promulgate rules to carry out this act pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

Effect of receiving state competitive scholarship; increasing state competitive scholarship award.

Sec. 7. Effective of receiving state competitive scholarship authorized by Act 208 of the Public Acts of 1964, as amended, is not eligible to receive a tuition grant concurrently. However, the state competitive scholarship award of a student enrolled in an independent nonprofit college or university may be increased with funds from the tuition grant program under this act up to the level of the maximum tuition grant award as provided in section 5, if the maximum tuition grant award is greater than the maximum competitive scholarship award in a given year.

Effect of receiving private scholarships.

Sec. 7a. If a student receives other scholarship awards by a private, nonprofit institution of higher learning covering full tuition and fees, he is not eligible for a tuition grant. If a student receives other scholarship awards by a private nonprofit institution of higher learning covering only a portion of his tuition and fees, the student may qualify for a proportionate tuition grant in accordance with the provisions of the act.

MICHIGAN TUITION GRANT

Enabling Statute: Act No. 313 of the Public Acts of 1966, approved August 1, 1966

Amendments:

Act 339 of the Public Acts of 1968
Act 313 of the Public Acts of 1972
Act 452 of the Public Acts of 1976
Act 503 of the Public Acts of 1980

Act 179 of the Public Acts of 1971
Act 314 of the Public Acts of 1976
Act 295 of the Public Acts of 1977

MICHIGAN TUITION GRANT

TUITION GRANTS

(By authority conferred on the higher education assistance authority by section 6 of Act No. 313 of the Public Acts of 1966, as amended, being §390.996 of the Michigan Compiled Laws)

R 390.831 Definitions.

Rule 1. As used in these rules:

- (a) "Act" means Act No. 313 of the Public Acts of 1966, as amended, being §390.991 et seq. of the Michigan Compiled Laws.
- (b) "Authority" means the Michigan higher education assistance authority.
- (c) "Award" means a tuition grant award.
- (d) "Default" means failure to comply with the terms of a loan guaranteed by the authority so that the authority finds it necessary to reimburse the original lending institution for the balance of the loan.
- (e) "Full-time" means a student enrolled for 12 or more semester credit hours or equivalent in trimester or quarter hours or the equivalent of 24 semester hours or 36 quarter hours per academic year for institutions using credit hours to measure progress, but not using semester, trimester, or quarter hours.
- (f) "Independent, nonprofit college or university" means a Michigan independent college or university eligible for listing in the "Directory of Michigan Institutions of Higher Education," published by the Michigan department of education.
- (g) "Parent" means the mother, father, mother and father, or adoptive parents.
- (h) "Part-time" means a student enrolled for not less than 6, but not more than 11, semester credit hours, trimester, or equivalent in quarter hours or at least ½ the credit defined as full-time in subdivision (e) of this rule.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.832 Administrative responsibility.

Rule 2. The authority shall administer tuition grants to eligible students registered as undergraduate or graduate students.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC.

R 390.833 Eligibility; requirements.

Rule 3. An applicant may be considered for a tuition grant if the authority finds that the applicant meets all of the requirements specified in sections 3 and 4 of the act and the following requirements:

- (a) Has resided continuously in this state for the preceding 12 months and is not considered a resident of any other state. A student who is not a United States citizen shall be a holder of the I-151 or I-551 immigration identification card signifying permanent residency in the United States. A refugee who meets the 12-month state residency requirement may be eligible for tuition grant consideration.
- (b) Is registered in, or expresses intent to register in an independent, nonprofit college or university in this state which is eligible for participation in the tuition grant program.
- (c) Has not defaulted on a loan guaranteed by the authority. Exceptions can be made if a defaulted borrower has made satisfactory repayment arrangements on the defaulted amount of the loan as determined by the authority.

MICHIGAN TUITION GRANT

(d) Has complied with the provisions of the act and the rules adopted by the authority.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.834 Eligibility; duration.

Rule 4. A student is not eligible for a grant for more than 10 semesters of undergraduate education or its equivalent; more than 6 semesters of graduate education or its equivalent; and for more than 8 semesters in dental education or its equivalent in trimesters. An applicant shall reapply yearly for renewal of this grant.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.835 Eligibility; financial resources of students and parents.

Rule 5. An applicant is eligible for a tuition grant award if the applicant's financial resources, including the cash or equivalent resources of the applicant's parents that are available for the applicant's higher education, as computed in accordance with the criteria utilized in the state competitive scholarship program authorized by Act No. 208 of the Public Acts of 1964, as amended, being §390.971 et seq. of the Michigan Compiled Laws, shows a monetary need for a tuition grant.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.836 Rescinded.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; rescinded 1985 MR 8, Eff. Aug. 30, 1985.

R 390.837 Rescinded.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; rescinded 1985 MR 8, Eff. Aug. 30, 1985.

R 390.838 Other awards.

Rule 8. (1) A student receiving a state competitive scholarship as authorized by Act No. 208 of the Public Acts of 1964, as amended, being §390.971 et seq. of the Michigan Compiled Laws, is not eligible to receive a tuition grant concurrently. However, the state competitive scholarship award of a student enrolled in an eligible tuition grant postsecondary institution may be increased with tuition grant funds up to the maximum tuition grant if the maximum tuition grant award is greater than the maximum Michigan competitive scholarship award.

(2) If a student receives other scholarship awards covering full tuition and fees specifically designated for that purpose, the student is ineligible for a tuition grant.

(3) A student holding a partial tuition award is eligible for a tuition grant not to exceed the difference between the other tuition award and the full cost of tuition.

(4) A tuition grant award is limited to an amount consistent with other awards and financial need as determined by the authority.

MICHIGAN TUITION GRANT

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.839 Eligibility; acceptance for enrollment at institution required.

Rule 9. An applicant is eligible for a tuition grant if the authority determines that the applicant has actually been accepted for enrollment at an independent, nonprofit college or university approved by the state board of education for participation in this program.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.840 Eligibility; full- or part-time status.

Rule 10. (1) An applicant is eligible for a tuition grant if enrolled or accepted for enrollment as a full-time student.

(2) An applicant may be eligible for a tuition grant if enrolled or accepted for enrollment as a part-time student for at least half-time but less than full-time credit. The awards shall be determined as follows:

(a) The amount of a part-time tuition grant award shall be determined according to demonstrated financial need, using the tuition and fee charges to be assessed the student recipient, based upon the credit hours of enrollment.

(b) Part-time tuition grant award recipients shall be charged 1 enrollment period of award eligibility each time an award payment is issued.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.841 Eligibility; deadline dates.

Rule 11. An applicant is eligible for a tuition grant only if the applicant meets the deadline dates established by the authority. An applicant who submits application materials after the deadline may be considered if funds are available to assist students who submit late materials.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.842 Rescinded.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; rescinded 1991 MR 8, Eff. Aug. 30, 1991.

R 390.843 Priority of grants.

Rule 13. Grants shall be given first to students having the greatest financial need and then to those with the next greatest financial need, as determined by the authority, until available funds have been exhausted.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC.

R 390.844 Payment of tuition grants.

Rule 14. A tuition grant recipient shall be sent payment for the prorated amount of the award at the start of each enrollment period. The payment shall be sent in care of the financial aid office at the institution in which the recipient is enrolled.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC.

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R 390.845 Failure to enroll.

Rule 15. A grant recipient who, after receiving a tuition grant payment, does not enroll in the institution at which the recipient registered shall have the full amount of the tuition grant cancelled.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1991 MR 8, Eff. Aug. 30, 1991.

R 390.846 Transfers.

Rule 16. A tuition grant recipient may transfer to another institution at any time. To remain eligible for a tuition grant, however, the recipient shall enroll at an independent, nonprofit college or university in this state which meets the full requirements of this grant program.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.847 Leave of absence.

Rule 17. (1) A tuition grant recipient who ceases to be enrolled at least half-time may request award reinstatement upon return to school as at least a half-time student during the same academic year for which the award was granted. The reinstatement of a tuition grant is dependent upon the availability of funds and the continued eligibility of the recipient.

(2) A grant recipient who relinquishes the tuition grant for any reason and does not return to school for the academic year for which the award was granted shall reapply to receive consideration for future academic years.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC.

R 390.848 Refunds.

Rule 18. A tuition grant recipient shall release grant amounts to the institution in order that the institution may refund any allowable amount directly to the authority if the student withdraws from the institution. A grant recipient who is dismissed or leaves the institution before the completion of a full semester and who is ineligible for a refund need not repay the authority the amount of the tuition grant.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC; 1991 MR 8, Eff. Aug. 30, 1991.

R 390.849 Residual awards.

Rule 19. A student who is ineligible for a first semester award or does not apply for a tuition grant for the freshman year may apply for consideration for the second enrollment period or in succeeding years. An application for a second enrollment period residual award shall be filed by the appropriate deadline date established by the authority. A residual award is contingent upon the applicant's meeting all eligibility requirements and the availability of funds at that time.

History: 1954 ACS 96, Eff. July 28, 1978; 1979 AC.

R 390.851--R 390.865 Rescinded.

History: 1954 ACS 48, Eff. Nov. 14, 1966; 1954 ACS 75, Eff. May 2, 1973; rescinded 1954 ACS 96, Eff. July 28, 1978.